

U.S. General Services Administration (GSA)

PRESIDENTIAL TRANSITION KEY ISSUES INFORMATION PAPER

SUBJECT: *Consolidation of Support Functions*

1. BACKGROUND:

In 2012, GSA began consolidating all of the support functions across the agency, from financial services to human resource support, under empowered CXOs. Previously there had been multiple CIOs, CFOs, and CPOs across the organization. For instance, there was a PBS CFO, a FAS CFO, and even regional CFOs.

a. General Background:

- Following the GSA Inspector General's report on the Western Regions Conference that detailed egregiously wasteful spending, GSA undertook a top to bottom review of the agency to assess what issues existed that contributed to allow such egregious decision making to occur.
- One finding of this review was that the proliferation of support functions that were managed by individual business lines and regions had limited appropriate visibility and oversight into decisions being made within those divisions, and had made it harder to set and enforce a clear set of high standards.
- Moreover, these services were duplicative, presenting an opportunity for more efficiency and stronger oversight if managed under one umbrella.
- Consolidating all of these functions allowed the organization to have full visibility into how much money was being spent on support functions, and allowed the agency to begin to benchmark and rationalize that spending.

i. The consolidation is expected to save ~\$200 million over ten years.

b. Issues:

- As with any consolidation, there have been growing pains in setting up structures to support a shift of this magnitude, though most issues have been addressed.
- In particular, divisions that used to have support functions within them have had to adjust to changed expectations of operating protocols.
- Support offices have worked to find the right balance between enforcing high standards and supporting the business lines.
 - i. Many have established service level agreements (SLAs) with divisions that document timeframes and benchmarks for providing services, which have been well received.
 - ii. More information on SLAs and GSA's continuous performance management and oversight can be found [here](#).
- Additionally, as support offices are funded through payments by divisions into the Working Capital Fund, an Investment Review Board has been established to ensure

oversight of support offices and empowerment of each division in spending decisions that will affect their budgets.

2. SCOPE AND EFFECT:

a. Impact on GSA's Customers:

- As the support offices are mostly internally-focused, most of the impacts are felt by divisions and business lines.
- However, there are certain customer-related activities that, previously, may have been approved within those divisions and now go through reviews by CXOs (Inter-Agency Agreements, for instance). Those reviews can sometimes affect customers.

b. Impact on the Private Sector and State & Local Governments:

- Minimal

3. ACTION(S) PLANNED OR REQUIRED:

The consolidation is an ongoing opportunity to make more effective spending decisions on support functions, finding the right balance between what is needed to have high standards while also making sure the majority of resources are devoted to front-line mission activities.

4. KEY STAKEHOLDER INTEREST:

The primary stakeholder interested in this issue, historically, has been Congress. The consolidation is one of the biggest steps GSA took as an organization to improve efficiency and effectiveness in its operations, improve oversight of key functions, and use taxpayer money more wisely. The Senate Homeland Security and Governmental Affairs Committee has conducted the most consistent oversight and has often requested updates on the progress of the consolidation, although this interest has, more recently, waned. Additionally, GSA's Appropriations Committees in both the House and Senate have been eager to see the effects of the consolidation on the Working Capital Fund (WCF). When the consolidation began, money that previously was spread throughout many accounts in GSA was collected into the WCF. This, on net, is positive, as it provides visibility where we didn't have it as easily previously as an organization. However, it also means the WCF more than tripled in size. The Appropriators have been interested in evaluating progress in right-sizing the support functions and look at the WCF as the best way to do so.

5. FISCAL YEAR 2017/2018 BUDGET IMPACT:

The consolidation, in providing visibility to the costs of support functions across the agency and pooling together resources that were previously "hidden" in many different GSA accounts, resulted in a larger WCF the past few fiscal years. Broadly, GSA is making

progress in rationalizing the size of this fund based on clearer evaluation of the amount of resources dedicated to support functions.